

**APPENDIX CANCER/PSEUDOMYXOMA  
PERITONEI RESEARCH FOUNDATION, INC.  
(OR ACPMP)**

**REVIEWED FINANCIAL STATEMENTS  
December 31, 2017 and 2016**

**APPENDIX CANCER/PSEUDOMYXOMA PERITONEI RESEARCH FOUNDATION, INC.  
(OR ACPMP)**

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**December 31, 2017 and 2016**

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# Corbets & Associates, Inc.

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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors  
Appendix Cancer/Pseudomyxoma Peritonei Research Foundation, Inc. (or ACPMP)  
Cleveland, Ohio

We have reviewed the accompanying statements of assets, liabilities, and net assets – cash basis of Appendix Cancer/Pseudomyxoma Peritonei Research Foundation, Inc. (or ACPMP) (a non-profit corporation) as of December 31, 2017 and 2016, and the related statements support, revenue – cash basis and expenses and statements of functional expense – cash basis for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with cash basis of accounting; this includes determining that cash basis is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

### *Accountants' Responsibility*

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### *Accountants' Conclusion*

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the cash basis of accounting.

### *Basis of Accounting*

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.



Solon, Ohio  
May 1, 2018

**APPENDIX CANCER/PSEUDOMYXOMA PERITONEI RESEARCH FOUNDATION, INC.  
(OR ACPMP)**

**Statements of Assets, Liabilities and Net Assets – Cash Basis  
December 31, 2017 and 2016**

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	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
<b>Cash</b>	<b><u>\$ 383,864</u></b>	<b><u>\$ 305,754</u></b>
<b>UNRESTRICTED NET ASSETS</b>	<b><u>\$ 383,864</u></b>	<b><u>\$ 305,754</u></b>

See accompanying notes to financial statements and independent accountants' review report

**APPENDIX CANCER/PSEUDOMYXOMA PERITONEI RESEARCH FOUNDATION, INC.  
(OR ACPMP)**

**Statements of Support, Revenue and Expenses – Cash Basis  
Years Ended December 31, 2017 and 2016**

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	<u>2017</u>	<u>2016</u>
<b>REVENUE AND SUPPORT</b>		
Contributions		
Events	\$ <b>104,724</b>	\$ 143,464
Other	<b>169,587</b>	94,182
Interest income	<u>558</u>	<u>426</u>
	<b>274,869</b>	238,072
<b>EXPENSE:</b>		
Program Services		
Grants and contributions	<b>164,200</b>	109,700
Education	<b>12,980</b>	43,732
Supporting Services		
Management and general	<b>4,257</b>	2,570
Fundraising	<u>15,322</u>	<u>24,040</u>
Total expense	<u>196,759</u>	<u>180,042</u>
<b>INCREASE IN UNRESTRICTED NET ASSETS</b>	<b>78,110</b>	58,030
<b>UNRESTRICTED NET ASSETS – January 1,</b>	<u>305,754</u>	<u>247,724</u>
<b>UNRESTRICTED NET ASSETS – December 31,</b>	<u>\$ 383,864</u>	<u>\$ 305,754</u>

See accompanying notes to financial statements and independent accountants' review report

**APPENDIX CANCER/PSEUDOMYXOMA PERITONEI RESEARCH FOUNDATION, INC.  
(OR ACPMP)**

**Statement of Functional Expense – Cash Basis  
Year Ended December 31, 2017**

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	<u>Program Services</u>		<u>Supporting Services</u>		
	<u>Grants and Contributions</u>	<u>Education</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Symposiums	\$	\$ 11,258	\$	\$	\$ 11,258
Merchant fees				4,217	4,217
Advertising and marketing				771	771
Bank service charges			300		300
Communication expense			51		51
Dues and fees	200		1,464		1,664
Events				5,639	5,639
Insurance			1,253	1,252	2,505
IT and Website		1,722		3,443	5,165
Office			900		900
Postage and delivery			289		289
Research grants	150,000				150,000
Grant administration	<u>14,000</u>				<u>14,000</u>
	<u>\$ 164,200</u>	<u>\$ 12,980</u>	<u>\$ 4,257</u>	<u>\$ 15,322</u>	<u>\$ 196,759</u>

See accompanying notes to financial statements and independent accountants' review report

**APPENDIX CANCER/PSEUDOMYXOMA PERITONEI RESEARCH FOUNDATION, INC.  
(OR ACPMP)**

**Statement of Functional Expense – Cash Basis  
Year Ended December 31, 2016**

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	<u>Program Services</u>		<u>Supporting Services</u>		
	<u>Grants</u>	<u>Education</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Symposiums	\$	\$ 11,999	\$	\$	\$ 11,999
Merchant fees				4,123	4,123
Bank service charges				2,078	2,078
Communication expense			180		180
Contributions			212		212
Dues and fees	200		1,010		1,210
Events				13,241	13,241
Insurance			1,132	1,132	2,264
IT and Website		1,733		3,466	5,199
Office			11		11
Postage and delivery			25		25
Grants awarded	100,000				100,000
Grant administration	9,500				9,500
Scholarship/educational grants		<u>30,000</u>			<u>30,000</u>
	<u>\$ 109,700</u>	<u>\$ 43,732</u>	<u>\$ 2,570</u>	<u>\$ 24,040</u>	<u>\$ 180,042</u>

See accompanying notes to financial statements and independent accountants' review report.

**APPENDIX CANCER/PSEUDOMYXOMA PERITONEI RESEARCH FOUNDATION, INC.  
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**Notes to Financial Statements**

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**NOTE 1 – NATURE OF ACTIVITIES**

The Foundation was established in 2008 to fund promising research to find a cure for Pseudomyxoma Peritonei (PMP), Appendix Cancer and related Peritoneal Surface Malignancies (PSM) and to fund educational programs for physicians and their patients about these diseases. The organization also supports the PMP and PSM community as a resource for information about managing the disease. The Foundation is supported through donations and proceeds of fundraising events, such as walks.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Accounting***

The accompanying financial statements have been prepared on the cash basis of accounting which differs from generally accepted accounting principles in that revenue and support are recognized when received and expenditures when paid. Certain contributed goods and services which may require recognition under generally accepted accounting principles are not recorded in these cash basis statements. Under generally accepted accounting principles, the contribution of services is recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

***Use of Estimates***

The preparation of financial statements on the cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

***Contributions***

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

The Foundation receives services from a number of volunteers who give significant amounts of their time to the Foundation's programs, fundraising, and management. No amounts have been reflected for these types of donated services. In addition significant accounting and administrative services are provided pro-bono, but amounts have not been quantified.

See independent accountants' review report.

**APPENDIX CANCER/PSEUDOMYXOMA PERITONEI RESEARCH FOUNDATION, INC.  
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**Notes to Financial Statements**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

*Cash and Cash Equivalents*

The Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. At December 31, 2017 and 2016 cash is comprised of demand deposits, including a money market account, all held at the same financial institution. During the year, the Foundation's cash has exceeded insured limits (by approximately \$132,000 and \$56,000 at December 31, 2017 and 2016, respectively.)

*Advertising Costs*

Costs incurred for advertising includes promotional materials and merchandise; these costs are expensed when incurred.

*Allocation of Functional Expenses*

The costs of providing the Foundation's programs and other activities have been summarized on a functional basis. Accordingly certain costs have been allocated among the programs and supporting services benefited.

*Income Taxes*

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation, and as such, contributions to the Foundation qualify for deduction as charitable contributions. However, income generated from activities unrelated to the Foundation's exempt purpose is subject to tax under Section 511 of the Code.

There were no uncertain tax positions recorded in the financial statements at December 31, 2017 or 2016. The Foundation's Form 990s from 2014 through this year end are subject to examination by the IRS, generally for three years after they were filed.

**NOTE 3 – GRANTS**

*Research*

The Foundation awards research grants through the National Organization for Rare Disorders (NORD), and subsequent administration/distribution is also monitored by NORD. The Board approved and funded three grants of \$50,000 in 2017 and two grants of \$50,000 in 2016. Grants are distributed and monitored by NORD over 2 years.

See independent accountants' review report.

**APPENDIX CANCER/PSEUDOMYXOMA PERITONEI RESEARCH FOUNDATION, INC.  
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**Notes to Financial Statements**

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**NOTE 3 – GRANTS – (Continued)**

*Educational/Scholarship*

The Foundation also awards scholarships and grants to enable physicians and their patients to attend symposiums to increase their knowledge about these diseases. For 2016 these grants totaled \$30,000 benefiting 19 attendees from 13 countries.

**NOTE 4 – RELATED PARTY TRANSACTIONS**

The Foundation is an all volunteer organization. The members of the Board of Directors perform administration and management for the organization. In addition, an affiliate of one of the directors provides use of an administrative assistant from their staff, facility and other office support as well as other supporting administrative and accounting services as needed. Other Board members have directly paid expenses on behalf of the organization. Board members do not seek reimbursement in these circumstances. Board members and their relatives may make contributions to the Foundation as well.

The Foundation officially is a member of NORD. During 2017 the Foundation paid NORD \$200 in dues (\$200 in 2016) and \$14,000 in grant administration fees (\$9,500 in 2016).

**NOTE 5 – CONCENTRATIONS**

A substantial amount of the Foundation's revenue is generated from fundraising events. Various different fundraising events are held around the country and Canada. Two of these events accounted for 58% of event contributions in 2017. During 2016 two events represented 53% of event revenue.

**NOTE 6 - NAME CHANGE**

Effective February 8, 2016 the Board has adopted a resolution to change the name of the organization from PMP Research Foundation to:

Appendix Cancer/ Pseudomyxoma Peritonei Research Foundation Inc. (or ACPMP)

**NOTE 7 - SUBSEQUENT EVENTS**

*Evaluation* - The Organization has evaluated subsequent events through May 1, 2018, the date which the financial statements were available to be issued

*2018 Grants* - In February 2018, the Board also approved two grants for \$50,000 each to be awarded and funded in 2018.

See independent accountants' review report.